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INFORMATION REPORT

REPORT NO.

25X1

REFERENCE COPY

CD NO.

COUNTRY Hungary/USSR

DATE DISTR. 25 July 1952

SUBJECT The Return of Soviet-Administered German Assets to Hungary

NO. OF PAGES 1

DO NOT CIRCULATE

DATE OF INFO.

NO. OF ENCLS.
(LISTED BELOW)25X1
PLACE
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SUPPLEMENT TO
REPORT NO.

25X1

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1. Beginning about 1 August 1952, the Russians plan to return to the Hungarians about 500 units of Soviet-administered German assets in Hungary. This will include most of the smaller Soviet-controlled assets, but not oil, bauxite, marine and air transportation.
2. Csemege (the former Julius Meinel Co.) and the Korvin department store have already been returned to the Hungarians. However, the Russians have taken over Lanorlin, a small oil company in Ujpest, which makes motor oil for cold climates.
3. It is believed that the purpose of the turnover is to consolidate Soviet holdings in Hungary, streamline their administration, and discard unprofitable enterprises.
4. The Hungarian employees of the affected firms are opposed to the transfer. They fear the Hungarian Communist foremen and shop stewards, who are stricter than Soviet managers. The Russian supervisors are interested chiefly in comfortable living and passable production rates and have on occasions mediated between the Hungarian workers and the Hungarian foremen.

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